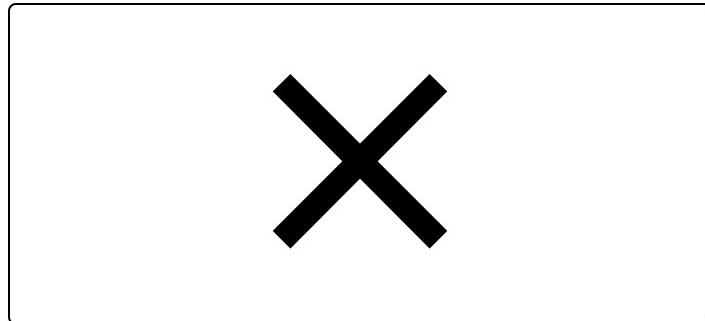


# EXHIBIT 2



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## Samsung SDI Might Be The Root Of Ford And BMW PHEV Recalls

Production problems at the Korean supplier could have led to the issues.

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Oct 16, 2020 at 8:14am ET



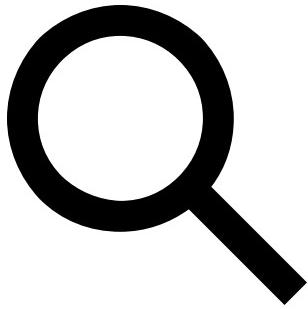
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By: **GUSTAVO HENRIQUE RUFFO**



On August 11, **Ford** announced the **Kuga PHEV** had to be recalled due to a fire risk. Owners were told not to charge them on power outlets. On October 13, **BMW** also said it had to repair 26,700 plug-in hybrids worldwide due to the cells' issues. It also recommended affected customers not to charge them with cables. These two events would be connected, according to the German newspaper *Handelsblatt*: **Samsung SDI** is the common supplier.

We had already said that BMW bought its batteries from CATL and Samsung SDI. Now, *Handelsblatt* cites “industry circles” as the source of information about Ford’s supplier as well. In other words, both companies could be facing the same issue, with the same supplier, like the Takata recall on a much smaller scale.



BMW was more transparent than Ford in informing what the issue was. According to the German carmaker, the battery production process allowed impurities to enter the cells. When batteries have any strange element in their chemistry, that can cause thermal runaway and fires, precisely the risk both recall campaigns pointed out as their reason.

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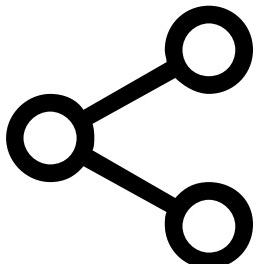
*Handelsblatt* also said that battery manufacturers are having a hard time keeping up with demand. Samsung SDI alone has tripled its European production capacity in its Hungary facility, close to Budapest.

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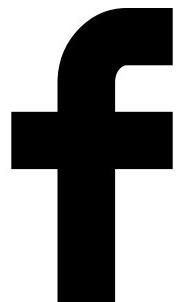
That explains why Tesla wants to produce its own batteries as soon as possible. Demand for them and the need not to depend on suppliers that sell to other companies are good reasons to bring their production under Tesla's umbrella. On the other hand, **that will require stringent quality control, and Tesla is not exactly notorious for that.**

We have already contacted Samsung SDI to learn if the company confirms it has supplied defective cells to Ford and BMW. We also want to know which production process created this situation and how Samsung SDI plans to avoid that in the future. Ford and BMW have refused to name their suppliers to other media outlets.

**Source:** *Handelsblatt*



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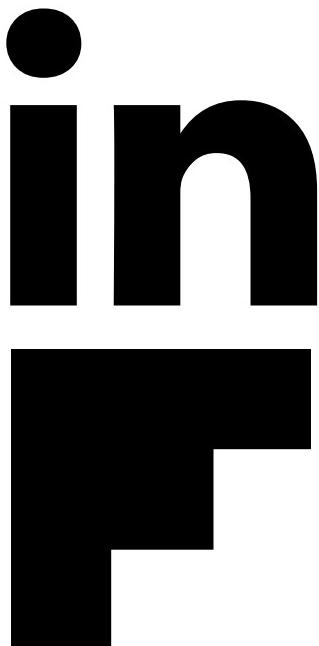
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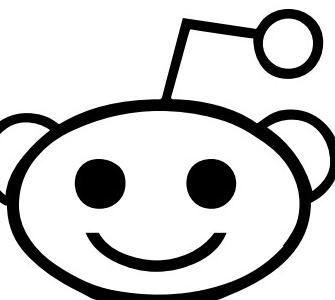


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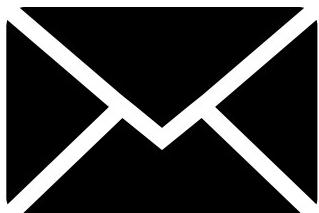
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